

## Message Text

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15  
ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 OMB-01

OES-06 EB-07 /071 W  
----- 121735

R 081140Z OCT 76  
FM AMEMBASSY NEW DELHI  
TO SECSTATE WASHDC 8867  
INFO AMEMBASSY COLOMBO  
AMEMBASSY DACCA  
AMEMBASSY ISLAMABAD  
AMEMBASSY KABUL  
AMEMBASSY KATHMANDU  
CINCPAC

C O N F I D E N T I A L NEW DELHI 14868

CINCPAC FOR POLAD

EO 11652: GDS  
TAGS: PFOR, IN, PK  
SUBJ: SALAL TALKS ADJOURN: TO BE RESUMED IN ISLAMABAD

REF: NEW DELHI 14405

BEGIN UNCLASSIFIED:

1. THE INDO-PAKISTAN DIFFERENCES ON THE SALAL HYDROELECTRIC PROJECT HAVE BEEN NARROWED IN TALKS HERE FROM OCTOBER 3-7, BUT AN AGREEMENT WAS NOT POSSIBLE IN THE CURRENT TALKS ON ALL POINTS RELATING TO THE DAM AND ITS FACILITIES, ACCORDING TO A MINISTRY OF EXTERNAL AFFAIRS SPOKESMAN. THE TWO SIDES HAVE AGREED THE MATTER SHOULD BE DISCUSSED FURTHER, AND THE PAKISTAN FOREIGN SECRETARY HAS INVITED THE INDIAN FOREIGN SECRETARY TO LEAD A DELEGATION TO ISLAMABAD, OCTOBER 19-21.

2. THE TEXT OF THE JOINT COMMUNIQUE FOR THE CURRENT  
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ROUND OF TALKS FOLLOWS:

QUOTE: AT THE INVITATION OF MR. J.S. MEHTA, FOREIGN SECRETARY, GOVERNMENT OF INDIA, A PAKISTAN DELEGATION LED BY MR. AGHA SHAHI, FOREIGN SECRETARY, GOVERNMENT OF PAKISTAN, VISITED NEW DELHI FROM OCTOBER 3 TO 7, 1976, TO HOLD TALKS CONCERNING DIFFERENCES OVER THE DESIGN OF THE SALAL HYDROELECTRIC PROJECT TO BE BUILT BY INDIA ON THE RIVER CHENAB.

THE PAKISTAN FOREIGN SECRETARY WAS ASSISTED BY THE FOLLOWING: MR. FIDA HASSAN, PAKISTAN AMBASSADOR IN INDIA, MR. KHALILUR REHMAN, ADDITIONAL SECRETARY, MINISTRY OF FUEL, POWER AND NATURAL RESOURCES, MR. HAYAT MEHDI, DIRECTOR-GENERAL, MINISTRY OF FOREIGN AFFAIRS, HABIBUR REHMAN, PAKISTAN INDUS WATER COMMISSIONER, MR. SHAHID M. AMIN, MINISTER, EMBASSY OF PAKISTAN, MR. MUJAHID HOSSAIN, COUNSELLOR, EMBASSY OF PAKISTAN AND MR. ZAFAR HILALY, DIRECTOR, MINISTRY OF FOREIGN AFFAIRS.

THE INDIAN FOREIGN SECRETARY WAS ASSISTED BY THE FOLLOWING: MR. Y.K. MURTHY, CHAIRMAN, CENTRAL WATER COMMISSION, MR. K.S. BAJPAI, AMBASSADOR OF INDIA IN PAKISTAN, MR. C.C. PATEL, ADDITIONAL SECRETARY DEPARTMENT OF IRRIGATION, MINISTRY OF AGRICULTURE AND IRRIGATION, MR. K.S. SUBRAMANYAM, MEMBER, CENTRAL ELECTRICITY AUTHORITY, DR. I.P. SINGH, JOINT SECRETARY, MINISTRY OF EXTERNAL AFFAIRS, DR. S.P. JAGOTA, JOINT SECRETARY, MINISTRY OF EXTERNAL AFFAIRS, MR. O.P. CHADHA, JOINT SECRETARY, DEPARTMENT OF IRRIGATION, MIN/AGRICULTURE & IRRIGATION AND COMMISSIONER FOR INDUS WATER, MR. R.C. BHARGAVA, JOINT SECRETARY MINISTRY OF ENERGY, MR. A.N. HARKAULI, MEMBER (DESIGN & RESEARCH), CENTRAL WATER COMMISSION, MR. K. DOSHI, COUNSELLOR, EMBASSY OF INDIA, ISLAMABAD; MR. M.N. VENKATESAN, DIRECTOR (MONITORING), CENTRAL WATER COMMISSION AND MRS. L.K. PONAPPA, UNDER SECRETARY, MINISTRY OF EXTERNAL AFFAIRS.

DURING HIS STAY IN NEW DELHI MR. AGHA SHAHI WAS RECEIVED BY THE PRIME MINISTER OF INDIA, MRS INDIRA GANDHI. HE ALSO CALLED ON MR. JAGJIVAN RAM, MINISTER OF AGRICULTURE AND IRRIGATION, MR. K.C. PANT, MINISTER OF ENERGY AND MR. CONFIDENTIAL

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P.N. HAKSAR, DEPUTY CHAIRMAN, PLANNING COMMISSION.

THE TWO DELEGATIONS HELD SEVERAL ROUNDS OF DETAILED DISCUSSIONS WITH A VIEW TO ARRIVING AT A MUTUALLY SATISFACTORY SETTLEMENT OF THEIR DIFFERENCES REGARDING THE DESIGN OF THE SALAL PLANT IN TERMS OF THE INDUS WATER TREATY 1960.

THE DISCUSSIONS WERE HELD IN AN AMICABLE ATMOSPHERE.

THE TWO FOREIGN SECRETARIES NOTED THAT THE SPIRIT OF ACCOMMODATION SHOWN BY BOTH SIDES HAD ENABLED DIFFERENCES TO BE CONSIDERABLY NARROWED. THEY RECOGNIZED THAT DESPITE THEIR BEST EFFORTS IT HAD NOT BEEN POSSIBLE TO AGREE ON ALL POINTS RELATING TO THE DESIGN OF THE PLANT IN THE SHORT SPACE OF THE CURRENT ROUND OF NEGOTIATIONS.

THE PAKISTAN FOREIGN SECRETARY EXPRESSED HIS SINCERE THANKS TO THE INDIAN FOREIGN SECRETARY FOR THE WARM HOSPITALITY USTENDED TO THE PAKISTAN DELEGATION. END QUOTE.

END UNCLASSIFIED

3. BEGIN CONFIDENTIAL. FONSEC MEHTA TOLD POLCOUNSELOR OCTOBER 6 THAT DISCUSSIONS HAD BEEN PSYCHOLOGICAL AND TECHNOLOGICAL. INDIANS ACKNOWLEDGED TO PAKS THAT SALAL DAM WOULD BENEFIT ONLY INDIA AND COULD CONCEIVABLY INJURE PAKS. THE INDIAN OBJECTIVE WAS TO ENSURE MINIMIZING ANY POSSIBLE DAMAGE TO GOP, EVEN IF THIS MEANT REDUCING BENEFIT TO INDIA. GOI HAD PROPOSED SLUICE GATES 40 FEET HIGH; PAKS SUGGESTED 21 FEET. INDIANS CAME DOWN TO 31 BY EVENING OF OCTOBER 6, AND PAK DELEGATION REFERRED MATTER TO ISLAMABAD. PRESUMABLY, RENEWED DISCUSSIONS WILL AIM AT FURTHER NARROWING GAP. BOTH FONSEC AND INDIAN AMBASSADOR BAJPAI THOUGHT ATMOSPHERE AT TALKS WAS GOOD.

4. MEA DEPUTY SECRETARY S.N. PURI CONFIRMED TO A WESTERN DIPLOMAT OCTOBER 8 INDIAN VIEW THAT THE TALKS WENT WELL. THE KEY ISSUE, HE CONFIRMED, WAS THE HEIGHT OF THE SLUICE GATE. IT WAS CLEAR THAT THE PAKS NEEDED TO DO SOME ADDITIONAL STUDY, AND TIMING WAS NOT OPPORTUNE TO ACHIEVE AGREEMENT. THEY WILL LOOK MORE FORTHCOMING IF CONFIDENTIAL

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THEY FINALLY CONSENT ON THEIR HOME GROUND, AND CAN ALSO PRESENT THE IMPRESSION OF VIGOROUS DEFENSE OF PAKISTAN INTERESTS BY WAITING FOR SECOND FULL-SCALE POLITICAL MEETING RATHER THAN AGREEING ON FIRST. THE FACT THAT TALKS ARE SET TO RESUME AS SOON AS INDIAN FONSEC ARRIVES BACK FROM THE AFRICA TRIP IS SEEN AS A GOOD SIGN. THE PAKS WE SPOKE TO (FONSEC AGHA SHAHI, DIRECTOR HAYAT MEHDI) WERE LESS EFFUSIVE AND LESS OPTIMISTIC. SAXBE

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## Message Attributes

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